

The Cruellest Year

WILLIAM MANCHESTER

By the beginning of 1929, the nation seemed to have reached a permanent state of prosperity. Business and foreign trade both were expanding, the stock market was rising at a phenomenal rate, and national leadership appeared to be in expert hands. Republican Herbert Hoover had won the presidency the previous November, having easily defeated his Democratic opponent. "For the first time in our history," wrote two economists, "we have a President who, by technical training, engineering achievement, cabinet experience, and grasp of economic fundamentals, is qualified for business leadership."

"We in America today," Hoover himself had said, "are nearer to the final triumph over poverty than ever before in the history of any land. The poorhouse is vanishing from among us." Hoover was equally optimistic in his inaugural address in March 1929: "I have no fears for the future of our country," he proclaimed. "It is bright with hope."

Eight months later, the country plummeted into the most severe and protracted economic depression in American history. It started with the stock market crash in October 1929 and deepened slowly and inexorably until the entire economy and maybe the nation itself approached total collapse. It was the worst disaster the United States had faced since the Civil War, and there were voices of doubt everywhere. How had it happened? What would become of the American dream? Would the nation disintegrate? And who was to blame — President Hoover, the Republican party, or capitalism itself?

Historian William Manchester makes clear that several factors caused economic collapse — chief among them underconsumption and overproduction, as consumer buying power lagged behind the quantity of goods being turned out. As factories and other businesses found themselves overextended, they began laying off workers, which de-

creased consumer buying power, which in turn caused more layoffs and resulted in a vicious cycle.

The prosperity of the 1920s had turned into a nightmare. Unemployed men roamed the country in search of work, succumbing to feelings of guilt and worthlessness when they found nothing at all. In this selection, Manchester captures the fear and privation that gripped the nation in 1932, the Depression's cruellest year. By then, perhaps a quarter of the work force was unemployed. Banks and businesses everywhere were closing their doors. Government on all levels was utterly unprepared to deal with so monstrous a crisis. And luckless Herbert Hoover was becoming the most hated man in the land.

Even so, not all historians would agree with Manchester that the country was on the verge of revolution. One school of thought, in fact, stresses the extraordinary political stability of the United States when compared with economically depressed Germany and Italy, which gave way to fascist dictatorships. As you read the next two selections, bear in mind that the Depression was indeed a worldwide calamity that rocked industrial Europe and Japan as well as the United States. Historian John A. Garraty says, "While there were differences in its impact and in the way it was dealt with from one country to another, the course of events nearly everywhere ran something like this: By 1925 most countries had recovered from the economic disruptions caused by the Great War of 1914–18. There followed a few years of rapid growth, but in 1929 and 1930 the prosperity ended. Then came a precipitous plunge that lasted until early 1933. This dark period was followed by a gradual, if spotty, recovery. The revival, however, was aborted by the steep recession of 1937–38. It took a still more cataclysmic event, the outbreak of World War II, to end the Great Depression."

GLOSSARY

HARRIMAN, JOSEPH WRIGHT Banker who tried to kill himself after his bank failed and who went to prison for misusing bank funds and falsifying records.

MELLON, ANDREW Powerful secretary of the treasury in the administrations of Harding, Coolidge, and Hoover; with the onset of the Depression, Mellon's conservative economic policy came under bitter attack; he also stirred up controversy when he exhorted Americans to pay their taxes and yet cheated on his own.

NEW ERA PROSPERITY Political and business leaders alike referred to the twenties as "a New Era" — an age of seemingly endless prosperity when America came of age as a modern nation.

RENO, MILO Led a farmers' revolt in Sioux City, Iowa, to protest an economic system that favored distributors at the farmers' expense.

ROGERS, WILL Entertainer whose homespun humor and ridicule of politicians made him immensely popular in Depression America.

That August [of 1932] a writer for the *Saturday Evening Post* asked John Maynard Keynes, the great British economist, whether there had been anything like the Depression before. "Yes," he replied. "It was called the Dark Ages, and it lasted four hundred years." This was calamity howling on a cosmic scale, but on at least one point the resemblance seems valid. In each case the people were victims of forces they could not understand.

Some vaguely blamed "conditions," Hoover's euphemism. Others confused the Depression with the stock market Crash of 1929 — "We haven't been to the city since the Depression," they would say, or "I used to, but that was before the Depression." A remarkable number of sufferers stoically accepted the implicit charge of malingering made by President John E. Edgerton of the National Association of Manufacturers: "Many of those who are most boisterous now in clamor for work have either struck on the jobs they had or don't want to work at all, and are utilizing the occasion to swell the communistic chorus." An explanation lies in the strength of the Protestant ethic forty years ago in America. Although millions were trapped in a great tragedy for which there could plainly be no individual responsibility, social workers repeatedly observed that the jobless were suffering from feelings of guilt. "I haven't had a steady job in more than two years," a man facing eviction told a *New York Daily News* reporter in February 1932. "Sometimes I feel like a murderer. What's wrong with me, that I can't protect my children?"

Such men had been raised to believe that if you worked diligently, you would succeed. Now failure was dragging down the diligent and the shiftless alike. Men were demoralized, and "a demoralized people," as Walter Lippmann wrote then, "is one in which the individual has become isolated. He trusts nobody and nothing, not even himself." Seventeen years later, in

The Lonely Crowd, Riesman explained the plight of the inner-directed man caught in such a crisis: "If repeated failures destroy his hope of future accomplishment, then it is likely that his internal strengths can no longer hold the fort against the external evidence. Overwhelmed with guilt, he will despise himself for his failures and inadequacies." Newspapers of that period are crowded with accounts of men who took their own lives rather than go on relief. Emile Durkheim had created a special category, "altruistic suicides," for men who killed themselves rather than become a burden to the community.

The real blame lay in the false underpinnings of the Coolidge-Hoover "New Era" prosperity. Seen in perspective, the Depression appears to have been the last convulsion of the industrial revolution, creating a hiatus before the technological revolution. In the aftermath of the World War, the techniques of mass production combined to increase the efficiency per man-hour by over 40 percent. This enormous output of goods clearly required a corresponding increase of consumer buying power — that is, higher wages. But the worker's income in the 1920s didn't rise with his productivity. In the golden year of 1929, Brookings economists calculated that to supply the barest necessities a family would need an income of \$2,000 a year — more than 60 percent of what American families were earning. In short, the ability to buy did not keep abreast of the volume of goods being turned out. It was part of the foolishness of the time to argue that the surge in production was no problem, that "a good salesman can sell anything." In practice this meant that while the rich (and many who weren't rich) were speculating in stocks, zealous salesmen were encouraging a kind of mass speculation. Customers of limited means were being persuaded to take products anyhow, the exchange being accomplished by an overextension of credit.

The stock market, honeycombed with credit in the form of brokers' loans, crashed of its own weight, calling to account the millions of little deals consummated by commercial travelers who had sold anything

and everything to people lacking the means to pay for it. Thus ended the New Era prosperity. The panic followed, and the country couldn't cope with it. The last extended economic crisis had been in 1893; since then America had become so industrialized that a massive return to the farm was impossible. There was a certain rough justice in Herbert Hoover's ascent to the Presidency on the eve of the catastrophe, for as Secretary of Commerce he had been fascinated with productivity and indifferent to the dangerous lack of buying power. Long after he left the White House, he realized what had happened and wrote: "A margin of some thousands . . . got too much of the productive pie for the services they performed. . . . Another margin of some 20 percent got too little."

Between the Crash and 1932, the cruelest year of the Depression, the economy's downward spiral was accelerated by measures which, according to all accepted canons, ought to have brought recovery, and which in practice did the opposite. To protect investments, prices had to be maintained. Sales ebbed, so costs were cut by laying off men. The unemployed could not buy the goods of other industries. Therefore sales dropped further, leading to more layoffs and a general shrinkage of purchasing power, until farmers were pauperized by the poverty of industrial workers, who in turn were pauperized by the poverty of the farmers. "Neither has the money to buy the product of the other," an Oklahoma witness testified before a congressional subcommittee, explaining the vicious circle. "Hence we have overproduction and underconsumption at the same time and in the same country."

In June 1932, Ivy League seniors joined 21,974 other alumni hunting for jobs. By then New York department stores were requiring bachelor degrees for all elevator operators, and that was the best many of them could do, but twenty-year-old Sylvia Field Porter, Hunter '32, was an exception. She switched her major from English to economics because of what she later called "an overwhelming curiosity to know why

everything was crashing around me and why people were losing their jobs" and talked her way into an investment counsel firm. At the same time she began a systematic study of the financial world, with the thought that one day she might write a column about it. She then discovered that she was in the middle of a crisis without historical precedent.

By the time of Miss Porter's commencement, United States Steel and General Motors had dropped to 8 percent of their pre-Crash prices. Overall, stocks listed on the Big Board were worth 11 percent of their 1929 value. Investors had lost 74 billion dollars, three times the cost of the World War. More than 5,000 American banks had failed — in Iowa City, just across the county line from Hoover's native West Branch, all five banks were shut — and 86,000 businesses had closed their doors. The country's Gross National Product had fallen from 104 billion dollars to 41 billion (in 1973 it would be 2,177 billion). In 1932, 273,000 families were evicted from their homes, and the average weekly wage of those who had jobs was \$16.21.

Some enterprises flourished. The contraceptive business was netting a quarter-billion dollars a year, a fact which the youth of that day conveniently forgot after they had become parents. Over half the population was going to the movies once a week (admission was a quarter for adults, a dime for children), and each year saw an increase in the number of cigarette smokers, none of them aware that the habit might be harmful. Kelvinator refrigerators and Atwater Kent radios were moving briskly. Miniature golf courses and circulation libraries were booming. Alfred C. Fuller was doing very nicely with his corps of door-to-door brush salesmen; in the grim month of August 1932 his sales leaped from \$15,000 to \$50,000 and grew thereafter at the rate of a million dollars a year. A prodigy named J. Paul Getty was quietly picking up cheap petroleum wells; that February he gained control of 520,000 of the Pacific Oil Corporation's one million shares. Here and there a venture was lucky. In Quincy, Massachusetts, the owner of a curious restau-

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rant with a bright orange roof and pseudo Colonial architecture was almost bankrupt when a stock company opened across the street. Its first play was Eugene O'Neill's nine-act *Strange Interlude*. Every evening there was an 8:30 intermission for supper, and the restaurateur, Howard Johnson, survived.

But these were exceptions. U.S. Steel, the key to heavy industry, was operating at 19.1 percent of capacity. The American Locomotive Company didn't need much steel. During the 1920s it had sold an average of 600 locomotives a year; in 1932 it sold one. Nor was the automotive industry the big steel customer it had been. Month by month its fine names were vanishing: the Stutz Motor Company, the Auburn, the Cord, the Edward Peerless, the Pierce Arrow, the Duesenberg, the Franklin, the Durant, the Locomobile. One rash man decided to challenge Ford with another low-priced car. He called it the Rockne, lost 21 million dollars, and killed himself. In January an inventive bacteriologist named Arthur G. Sherman had become the sensation of the Detroit Auto Show by exhibiting the first crude, hand-carpentered, wooden trailer. In 1932 he sold just eighty of them. Air transport nose-dived. Airlines then had twelve seats, of which, the Department of Commerce reported, an average of seven were flying empty. And with the exception of the new talkies, most entertainers were foundering. In four years the jazz musician Eddie Condon landed four recording sessions; the phonograph recording industry had dwindled from 50 million dollars a year to a quarter-million. Sally Rand was making a precarious living with her celebrated fans; to a reporter who asked why she did it, she replied, "I never made any money till I took off my pants."

Because poverty was considered shameful, people tried to conceal destitution from neighbors, often with considerable success. One could never be sure about the family across the street. The smartly dressed young lawyer who always left home at the same time each morning may have been off to sell cheap neckties, magazines, vacuum cleaners, pressure cookers, or

Two-in-One shoe polish door-to-door in a remote neighborhood. He may have changed his clothes and gone to another part of the city to beg. Or he may have been one of the millions who looked for work day after day, year after year, watching his children grow thinner and fighting despair in the night. There were certain skills developed by men who spent their days in the streets. You learned to pay for a nickel cup of coffee, to ask for another cup of hot water free, and, by mixing the hot water with the ketchup on the counter, to make a kind of tomato soup. In winter you stuffed newspapers under your shirt to ward off the cold; if you knew you would be standing for hours outside an employment office, you wrapped burlap bags around your legs and tied them in place. Shoes were a special problem. Pasteboard could be used for inner soles, and some favored cotton in the heels to absorb the pounding of the concrete. But if a shoe was really gone, nothing worked. The pavement destroyed the cardboard and then the patch of sock next to it, snow leaked in and accumulated around your toes, and shoe nails stabbed your heels until you learned to walk with a peculiar gait.

It was remarkable how ingenious an impoverished, thrift-minded family could be. Men resharpened and reused old razor blades, rolled their own cigarettes or smoked Wings (ten cents a pack), and used twenty-five-watt light bulbs to save electricity. Children returned pop bottles for two cents or stood in line for day-old bread at the bakery. Women cut sheets lengthwise and resewed them to equalize wear, retailored their clothes for their daughters, and kept up a brave front with the wife next door — who may have been doing the same thing on the same meager budget. Families sorted Christmas cards so they could be sent to different friends next year. Sometimes a man would disappear for weeks. All the neighborhood knew was that he had gone on a "business trip." It was a considerate husband who withheld the details of such trips from his wife, for they were often more terrible than anything she could imagine.

He was, of course, looking for work. The legends

of job hunting had become folklore by 1932, and some of the unbelievable stories were true. Men *did* wait all night outside Detroit employment offices so they would be first in line next morning. An Arkansas man *did* walk nine hundred miles looking for work. People *did* buy jobs. In Manhattan a Sixth Avenue employment agency *did* have five thousand applicants for three hundred jobs. It is a matter of record that a labor subcommittee of the 72nd Congress heard testimony about men setting forest fires in the state of Washington so they would be hired to put them out. *Business Week* verified the fact that a great many people who no longer loved America either left it or attempted to. Throughout the early Thirties the country's emigration exceeded its immigration. Amtorg, the Russian trading agency in New York, was getting 350 applications a day from Americans who wanted to settle in Russia. On one memorable occasion Amtorg advertised for six thousand skilled workers and a hundred thousand showed up, including plumbers, painters, mechanics, cooks, engineers, carpenters, electricians, salesmen, printers, chemists, shoemakers, librarians, teachers, dentists, a cleaner and dyer, an aviator, and an undertaker.

New York drew countless job seekers from surrounding states, though the city had a million jobless men of its own. A few strangers joined Manhattan's seven thousand nickel shoeshine "boys" or found furtive roles in the bootleg coal racket — 10 percent of the city's coal was being sneaked in by unemployed Pennsylvania miners — but most outsiders wound up on one of New York's eighty-two breadlines. If a man had a dime he could sleep in a flophouse reeking of sweat and Lysol. If he was broke he salvaged some newspapers and headed for Central Park, or the steps of a subway entrance, or the municipal incinerator. The incinerator's warmth drew hundreds of men on winter nights, even though they had to sleep on great dunes of garbage.

Returning from such an expedition in or under an empty freight car, a husband would review family assets with his wife and estimate how long they could

keep going. Wedding rings would be sold, furniture pawned, life insurance borrowed upon, money begged from relatives. Often the next step was an attempt at a home business, with its implicit confession to the neighborhood that the pretense of solvency had been a hoax. The yard might be converted to a Tom Thumb miniature golf course. The husband might open a "parlor grocery." The wife might offer other wives a wash, set, and manicure for a dollar. In Massachusetts, idle textile workers erected looms in their living rooms; in Connecticut, households strung safety pins on wires, toiling long hours and earning a total of five dollars a week for an entire family.

These last-ditch efforts rarely succeeded; there were so few potential customers with money. Finally hope was abandoned. The father went to the city hall, declared himself penniless, and became a statistic. Because those figures were poorly kept, the precise extent of poverty is unknown. Somewhere between 15 million and 17 million men were unemployed, with most of them representing a family in want. *Fortune*, in September 1932, estimated that 34 million men, women, and children were without any income whatever. That was nearly 28 percent of the population, and like all other studies it omitted America's 11 million farm families, who were suffering in a rural gethsemane of their own.

During the Nixon Presidency, when America's farm population had shrunk to 5.2 percent of the population, it was hard to realize that only forty years earlier 25.1 percent had been living, or trying to live, on the land. They had not shared in New Era prosperity; the Crash merely worsened a situation which had already become a national scandal. By 1932 U.S. farmers had come to remind one reporter of Mongolian peasants seen in the rotogravure sections of Sunday newspapers, and the shadow of imminent famine fell across the plains. Agricultural prices hadn't been so low since the reign of Queen Elizabeth. Farmers were getting less than twenty-five cents for a bushel of wheat, seven cents for a bushel of corn, a dime for a

bushel of oats, a nickel for a pound of cotton or wool. Sugar was bringing three cents a pound, hogs and beef two and a half cents a pound, and apples — provided they were flawless — forty cents for a box of two hundred.

Translated into the bitter sweat of rural life, this meant that a wagon of oats wouldn't buy a pair of four-dollar Thom McAn shoes. A wagon of wheat would just do it, but with mortgage interest running at \$3.60 an acre, plus another \$1.90 in taxes, the wheat farmer was losing \$1.50 on every acre he reaped. In cotton fields the strongest and most agile man would toil from "can see" to "can't see" — fourteen hours of daylight — and receive sixty cents for the 300 pounds he had picked. It was cheaper to burn corn than sell it and buy coal. With meat bringing such ruinous prices, a man would spend \$1.10 to ship a sheep to market, where it would return him less than \$1.00. In Montana a rancher bought bullets on credit, spent two hours slaughtering a herd of live-stock, and left it rotting in a canyon. It wasn't worth its feed. Turning away, he muttered to a reporter, "One way to beat the Depression, huh?"

As farm prices caved in, tens of thousands of mortgage foreclosure notices went up on gateposts and county courthouses. It has been estimated that one-fourth of the state of Mississippi was auctioned off. William Allen White, the Republican country editor who had pleaded with Hoover to come and see what was happening to the Middle West, wrote, "Every farmer, whether his farm is under mortgage or not, knows that with farm products priced as they are today, sooner or later he must go down." When the farmer did fail, unable even to pay the small costs of binder twine, tool repair, and seed, the bank would take title as absentee landlord, and he would rent from it the land his family had owned for generations. Meantime, while ranchers fed mutton to buzzards and warmed their hands over corn fires, millions in the cities could not afford the low prices which were destroying farmers (butter at 39 cents a pound, prime rib roast at 21 cents, two dozen eggs for 41 cents) because

so many were idle and those who had jobs were often earning what could only be called starvation wages.

There was no one to protect them. [President Hoover] disapproved of wage cuts and said so, but he was equally opposed to wage-hour legislation, so that when U.S. Steel made its second big wage slash in the spring of 1932, the workers were helpless. The labor movement was almost extinct; AFL membership had dwindled from 4.1 million in 1920 to 2.2 million, about 6 percent of the work force. There were strikes of desperation in 1932. All were lost. Miners were paid \$10.88 a month, were at the mercy of check-weight men, and were required to buy groceries at inflated prices in the company store; when they rebelled the protest was bloodily suppressed by armed strikebreakers backed by the National Guard. The United Mine Workers were too weak to offer the victims anything but sympathy.

In such New England mill towns as Lynn and Lowell, where only one worker in three was employed, men were treated like serfs; one of them left Manchester, New Hampshire, to apply for a job in New Haven, was arrested, brought before a judge on a charge of vagrancy, and ordered back to his Manchester mill. The immense pool of job seekers tempted employers to slash their wage bills again and again. Department stores paid clerks as little as five dollars a week. An investigation in Chicago disclosed that the majority of working girls were getting less than twenty-five cents an hour; for a fourth of them, it was less than a dime. In 1932 hourly rates had shrunk to ten cents in lumbering, seven and-a-half cents in general contracting, six cents in brick and tile manufacturing, and five cents in sawmills. Before the Depression, Massachusetts textile mills rarely required skilled operators to be responsible for more than twenty looms eight hours a day. Then the mills introduced speedups and stretch-outs, and Louis Adamic saw teenaged girls running thirty wide looms from before dawn until after sunset.

In the sweatshops of Brooklyn fifteen-year-olds were paid \$2.78 a week. Women received as little as

\$2.39 for a fifty-hour week. In the summer of 1932 the Connecticut Commissioner of Labor reported that there were over a hundred shops in the state paying as little as sixty cents for a fifty-five hour week. New York City was the worst sweat spot in that state, and its garment industry, employing fifty thousand women, was the most sweated trade. "Unscrupulous employers," *Time* reported, had "battered wages down to the Chinese coolie level." Hat makers crocheted hats for forty cents a dozen; in a week a worker could make two dozen. Apron girls were paid two-and-a-half cents an apron; they earned twenty cents a day. A slipper liner received twenty-one cents for lining seventy-two pairs; if she completed one slipper every forty five seconds, she took home \$1.05 after a nine-hour day. Girl cleaners in a pants factory were paid a half-cent for each garment they threaded and sponged. It was a five-minute operation; their income was six cents an hour. Honest employers could not survive that kind of competition. Welfare rolls grew longer and longer, the President continued to withhold federal help, and as the fourth Depression winter loomed the relief structure began to disintegrate.

When a senator declared the workers simply could not survive on one or two days' wages a week, President J. E. Edgerton of the National Association of Manufacturers said, "Why, I've never thought of paying men on the basis of what they need. I pay for efficiency. Personally, I attend to all those other things, social welfare stuff, in my church work." Doubtless he thought he did. As *Fortune* explained it, the theory was that now, as in the past, private charity and semi-public welfare groups could care for the old, the sick, and the indigent.

It wasn't working. The Depression, while multiplying the demands upon charities, had dried up their sources of contributions. By 1932, private help had dwindled to 6 percent of the money spent upon the needy, leaving some thirty million people to public welfare. Unfortunately, local governments couldn't

handle the burden. State and city budgets had been in the red since 1930. About nine-tenths of municipal income came from taxation on real estate, which in terms of the Depression dollar was ludicrously over-appraised. Landlords were liable to taxation if they held title to buildings; their inability to realize income from their houses was legally irrelevant, even when their tenants were on municipal relief, which never paid rentals. The landlords tried desperately to get their money. At first, in exasperation, they turned penniless occupants out. In New York there was hardly a block without a daily dispossession, and in Philadelphia so many families were put on the street that little girls invented a doll game called Eviction.

But empty tenements solved nothing; they merely contributed to the unpopularity of men of property while leaving tax bills unpaid. Eventually, as Professor Sumner H. Slichter of the Harvard Business School explained to the Senate Committee on Manufactures, there was "a more or less national moratorium on rents, insofar as the unemployed are concerned." Delinquent tax ratios hovered between 20 and 30 percent in metropolitan areas, and the cities, lacking this revenue, cut services. Roads were unpaved, sidewalks crumbled, streets blocked by winter snow were left unplowed. Chicago, deprived of two years' receipts by a taxpayers' strike, borrowed from the banks — and agonized over its unemployed population of 600,000.

Given the bankruptcy of public treasuries, and the widespread feeling that the poor were somehow responsible for their fate, it was inevitable that admittance to relief rolls would be made extremely difficult. Before applications were even considered, homes and possessions had to be sold, insurance canceled, credit exhausted, and evidence produced that all known relatives were broke. Even then, in many cities no assistance was granted to unmarried people or people without young children. Every possible stigma was attached to aid. In September 1932 Lewiston, Maine, voted to bar all welfare recipients from the polls, a goal already achieved by property requirements in the

constitutions of ten states from Massachusetts to Oregon. West Virginia hospitals refused to admit patients unless payment for services was guaranteed; a referring physician suggested to one surgeon that he delay operating upon a child until the parents promised to pay \$1,000. Two doctors in Royce City, Texas, put the following advertisement in the local paper:

TO WHOM IT MAY CONCERN: If you are expecting the stork to visit your home this year and he has to come by way of Royce City, he will have to bring a checkbook to pay his bill before delivery.

In some communities taxpayer associations tried to prevent welfare children from attending schools, and families receiving assistance were known to have been excluded from churches.

Even those who surmounted all barriers found that the approval of a welfare application was exceptional. In mill towns, mining communities, and on sharecropper farms, *Fortune* reported, "relief is merely a name." In the cities only 25 percent of qualified families were getting some form of help. The mayor of Toledo said in 1932: "I have seen thousands of these defeated, discouraged, hopeless men and women, cringing and fawning as they come to ask for public aid. It is a spectacle of national degradation." Admittance to the rolls did not end the defeat, discouragement, and hopelessness. In Philadelphia a family of four was given \$5.50 a week, which hardly encouraged the debauchery predicted by those who objected to the dole, and Philadelphia was munificent compared to New York (\$2.39), Mississippi (\$1.50) and Detroit (\$0.60). At the most, assistance covered only food and fuel. Since welfare families had often been inadequately clothed before the Crash, their rags three winters later sometimes defied description. It was not uncommon to see the head of a family dressed like a vaudeville tramp, wearing a buttonless suit coat out at one elbow, a pair of trousers out at the knee and in the seat, an old summer cap that had hung for years in some furnace room, worn tennis

shoes covered by patched rubbers, a pair of mismatched canvas gloves; the whole covered by a filthy old sheepskin. . . .

By 1932, a third of a million children were out of school because of lack of funds. Teachers in Mississippi, northern Minnesota, Idaho, South Dakota, and Alabama managed to eat only by "boarding around" at the homes of parents. In Dayton, Ohio, schools were open only three days a week; in Arkansas over three hundred schools were closed ten months or more. In Kansas, twenty-five-cent wheat meant rural teachers were being paid \$35 a month for an eight month year — \$280 a year. In Iowa they were receiving \$40 a month, half the income Washington had said was necessary for industrial workers to exist. Akron owed its teachers \$300,000, Youngstown \$500,000, Detroit \$800,000, and Chicago's debts to its teachers were more than 20 million dollars.

The story of the Chicago schools was a great Depression epic. Rather than see 500,000 children remain on the streets, the teachers hitchhiked to work, endured "payless paydays" — by 1932 they had received checks in only five of the last thirteen months — and accepted city script to be redeemed after the Depression, even though Chicago bankers would not accept it. Somehow the city found money to invest in its forthcoming World's Fair of 1933, when Sally Rand would gross \$6,000 a week, but it turned a deaf ear to the Board of Education. A thousand teachers were dismissed outright. Those who remained taught on at immense personal sacrifice. Collectively the 1,400 teachers lost 759 homes. They borrowed \$1,128,000 on their insurance policies and another \$232,000 from loan sharks at annual interest rates of 42 percent, and although hungry themselves, they fed 11,000 pupils out of their thin pocketbooks.

Teachers, welfare workers, and policemen saw hardship at close range. Nobody called cops pigs in the early 1930s. Even when they were used to break strikes, it was widely acknowledged that they were as exploited as the workers. In New York, men on the



Children with picket signs in the depths of the Depression. When the wage earner lost his job, even young children could be recruited to the cause of family survival. Because public opinion attached a heavy stigma to accepting welfare of any kind, children often went out to work, sometimes at wages as low as those of the 1880s. By

1932, a third of a million children nationwide were out of school because of a lack of municipal funds, although teachers everywhere made enormous personal sacrifices to keep schools open. (St. Paul Daily News Collection, Minnesota Historical Society)

beat had been distributing food in the most stricken neighborhoods since 1930. The money came from city employees, including themselves, who contributed 1 percent of their salaries; as Caroline Bird pointed out, this was "the first public confession of official responsibility for plain poverty, and it came, not from the top, but from the lowest civil servants, who worked down where the poor people were."

Once more the teachers bore witness to the worst, for the most heartbreaking Depression martyrs were

in the classrooms. In October of that terrible year, a month before the presidential election, the New York City Health Department reported that over 20 percent of the pupils in the public schools were suffering from malnutrition. In the mining counties of Ohio, West Virginia, Illinois, Kentucky, and Pennsylvania, the secretary of the American Friends Service Committee told a congressional committee, the ratio was sometimes over 90 percent, with deprived children afflicted by "drowsiness, lethargy, and sleepi-

ness," and "mental retardation." A teacher suggested that one little girl go home and eat something; the child replied, "I can't. This is my sister's day to eat." A little boy exhibited his pet rabbit to a visitor and the boy's older sister whispered, "He thinks we aren't going to eat it, but we are." Lillian Ward, a social worker, asked in anguish, "Have you ever seen the uncontrolled trembling of parents who have starved themselves for weeks so that their children might not go hungry?" A bitter father said, "A worker's got no right to have kids any more," and a Massachusetts priest said, "One family I know has lived on lentils, nothing but lentils, all this year. They can't afford to buy bread. What is going to happen to our children?"

"Nobody is actually starving," President Hoover told reporters. "The hoboes, for example, are better fed than they have ever been. One hobo in New York got ten meals in one day." In September 1932 *Fortune* flatly called the President a liar and suggested that "twenty-five millions in want" might be a fairer description of the nation's economic health. Cases of starvation were being chronicled by *Fortune*, the *San Francisco Chronicle*, the *Atlantic*, the *New York Times*, and in congressional testimony. The New York City Welfare Council reported 29 victims of starvation and 110, mostly children, dead of malnutrition. Hoover simply hadn't seen the suffering, though he was not to be spared after his departure from the White House; on a fishing trip in the Rocky Mountains he was led by a native to a hut where one child had succumbed and seven others were dying of hunger.

Millions stayed alive by living like animals. In the Pennsylvania countryside they were eating wild weed-roots and dandelions; in Kentucky they chewed violet tops, wild onions, forget-me-nots, wild lettuce, and weeds which heretofore had been left to grazing cattle. City mothers hung around docks, waiting for spoiled produce to be discarded and then fighting homeless dogs for possession of it. After the vegetables had been loaded on trucks they would run alongside, ready to snatch up anything that fell off. A cook in a midwestern hotel put a pail of

leftovers in the alley outside the kitchen; immediately a dozen men loomed out of the darkness to fight over it. In Long Beach, California, a sixty-six-year-old physician named Francis Everett Townsend glanced out his window while shaving and saw, among a group of refuse barrels, "three haggard very old women," as he later called them, "stooped with great age, bending over the barrels, clawing into the contents." Whole families were seen plunging into refuse dumps, gnawing at bones and watermelon rinds; a Chicago widow always removed her glasses so she wouldn't see the maggots. At night in New York [novelist] Thomas Wolfe observed "the homeless men who prowled in the vicinity of restaurants, lifting the lids of garbage cans and searching around inside for morsels of rotten food." He saw them "everywhere, and noticed how their numbers increased during the hard and desperate days of 1932."

It was considered benevolent by well-to-do Americans that year to give your garbage to fellow countrymen who were famished. The Elks of Mount Kisco, New York, and the eating clubs of Princeton University instructed their servants to see that their leftovers reached the needy. The *Brooklyn Eagle* proposed a central depot where edible swill could be sent by charitable citizens and where the poor might apply for portions of it. In Oklahoma City John B. Nichols, a gas company executive, worked out a plan under which restaurants, civic clubs, and hotel chefs would pack swill in "sanitary containers of five (5) gallons each," to be "labeled 'MEAT, BEANS, POTATOES, BREAD AND OTHER ITEMS.'" The Salvation Army would pick up the cans, the contents of which would then be distributed to jobless men who would first chop wood donated by — of all people — the farmers. "We expect a little trouble now and then from those who are not worthy of the support of the citizens," the gas man wrote Secretary of the Army Hurley, "but we must contend with such cases in order to take care of those who are worthy." Hurley thought it a marvelous idea, and urged the administration to adopt it. It was vetoed by the director of Hoover's

Emergency Committee for Employment on the ground that the gesture might be misunderstood.

It never seems to have occurred to Nichlos, the *Eagle*, the Princetonians and the Elks that more dramatic solutions might lie ahead. But already there were those who pondered the contrast between the well-fed rich and the starving multitude, and who thought they saw the dark shadow of things to come. Thomas Wolfe would talk to the tragic men in New York public toilets until he could not stand their anguish any more. Then he would mount the steps to the pavement twenty feet above and gaze out upon "the giant hackles of Manhattan shining coldly in the cruel brightness of the winter night. The Woolworth Building was not fifty yards away, and a little farther down were the silvery spires and needles of Wall Street, great fortresses of stone and steel that housed enormous banks. The blind injustice of this . . . seemed the most brutal part of the whole experience, for there . . . in the cold moonlight, only a few blocks away from this abyss of human wretchedness and misery, blazed the pinnacles of power where a large section of the entire world's wealth was locked in mighty vaults."

In adversity Americans have always looked for scapegoats, and by early 1932 other hunters, like Wolfe, were closing in on lower Manhattan. The prey there was fat and vulnerable. In the Twenties American financiers and industrialists had become national folk heroes. In vain had William Z. Ripley of Harvard warned President Coolidge that "prestidigitation, double-shuffling, honey-fugling, hornswogling and skulduggery" were threatening the economy; Coolidge refused to be daunted by prophets of gloom and doom. For nine years, as Arthur Schlesinger Jr. later wrote, the government had treated business as though it had "discovered the philosopher's stone which would transmute the uncertainties of the capitalist system into permanent prosperity." [Andrew] Mellon had become known as "the greatest Secretary of the Treasury since Alexander Hamilton,"

and *Nation's Business* had reported that the American businessman was "the most influential person in the nation." But now, three years after the Crash, children were singing:

Mellon pulled the whistle,
Hoover rang the bell,
Wall Street gave the signal,
And the country went to hell.

The high priests of finance weren't listening. Their world remained insular, arrogant, and out of touch. In the *Literary Digest* they read of the Depression's blessings: "People are growing more courteous in business, and often more reasonable at home, thoughtless women especially. Unappreciative wives who were indifferent to their husbands and neglected their homes have become tame and cautious." A Republican candidate for governor of New Jersey had good news for the voters: "There is something about too much prosperity that ruins the moral fiber of the people." A member of the Du Pont family was reported to have rejected a suggestion that he sponsor a Sunday afternoon program on the ground that "at three o'clock on Sunday afternoons everybody is playing polo," and J. P. Morgan observed that if "you destroy the leisure class, you destroy civilization. By the leisure class, I mean the families who employ one servant—twenty-five or thirty million families." He seemed startled when told that census figures showed there were fewer than two million servants in the entire country. The people were not surprised by his misinformation; by then, Walter Lippmann wrote, industrial and financial leaders had fallen "from one of the highest positions of influence and power that they have ever occupied in our history to one of the lowest."

In 1932, 65 percent of American industry belonged to 600 corporations; 1 percent of the population owned 59 percent of the wealth. One man, Samuel Insull of Chicago, held 85 directorships, 65 board chairmanships, and 11 company presidencies. His

utilities empire was a conglomerate of 150 companies, with 50,000 employees serving 3,250,000 customers. On New Year's Day its securities were valued at over three billion dollars, and unemployed men warming themselves over scrap wood fires on the lower level of Wacker Drive looked up at the Insull offices far above and wondered aloud to reporters why the old man couldn't help them.

He couldn't because he had problems of his own. His pyramid of holding companies was collapsing, and thousands of Chicagoans — including a great many schoolteachers — were about to learn in horror that their Insull stock had dropped to 4 percent of its 1931 value. Insull scurried about trying to salvage something, protected day and night by thirty-six bodyguards, but in April his two investment trusts went into receivership. By June he had fled to Europe, sixty million dollars in debt; a Cook County grand jury indicted him. In Paris he craftily scheduled a press conference, sneaked out the back door to board a midnight express for Rome, and flew on to Athens. His lawyers had told him he would be safe there, because there were no extradition treaties between Greece and the United States. It was true then, but by early November the diplomats had signed one. Disguised as a woman, the fugitive chartered a boat for Turkey. The Turks turned him over to American authorities; he was brought back, tried — and found not guilty, because holding companies were not subject to regulation. "A holding company," Will Rogers said dryly, "is a thing where you hand an accomplice the goods while the policeman searches you."

Rogers also said, "There's a lot of things these old boys have done that are within the law, but it's so near the edge you couldn't slip a razor blade between their acts and a prosecution." Looking for evidence, the Democratic Congress was turning over stones up and down Wall Street, and some remarkable specimens were crawling out. Banker Albert H. Wiggin had sold the stock of his own bank (the Chase) short and then lied about it. Because of the depressed economy, Charles E. Mitchell of the National City Bank

had broken an agreement to merge with the Corn Exchange Bank; at the same time he was tormenting his own clerks and tellers by demanding that they keep up their installment payments on National City stock bought at pre-Crash prices (\$200 a share, now down to \$40) — and loaning \$2,400,000 of the stockholders' money to bank officers, with neither collateral nor interest, for market speculation. Mitchell had avoided federal income tax by selling securities to a member of his family at a loss and later buying them back. Through similar loopholes J.P. Morgan had paid no income tax in 1929, 1930, or 1931. Colonel Robert R. McCormick of the *Chicago Tribune* sent the government a token \$1,500 a year while writing long editorials urging his subscribers to pay their taxes in full.

As Secretary of the Treasury, Andrew Mellon had also hounded people who were reluctant to meet their tax obligations — and had similarly applied a different standard to himself. The country was astonished to learn that at Mellon's request his commissioner of internal revenue had prepared a memorandum for him describing twelve ways to evade federal taxes. A Treasury Department tax expert had then been assigned to work on Mellon's personal returns. Five of the commissioner's suggestions had been followed, including the recording of fictitious gifts and losses to reduce tax liability. These disclosures aroused Representative Wright Patman of Texas, who on January 25, 1932, asked the House to impeach Secretary Mellon "for high crimes and misdemeanors," but there were those who still regarded Mellon with reverence. To them the publication of these singular facts was a form of *lèse majesté*; one admirer, Mellon's lawyer, sharply rebuked a *New York Times* reporter for "providing ammunition for radicals."

Every week brought fresh shocks. Joseph Wright Harriman, a banker (or "bankster," as *Time* had it) and a cousin of Averell Harriman, left his failing bank and took refuge in a Manhattan nursing home. As the law closed in, he escaped to a Long Island inn, regis-

tering under an alias. The Nassau County police found him anyhow. Harriman tried to drive a butcher's knife between his ribs, failed at that, too, and served two years in prison for falsifying his bank's books and misapplying its funds. Saul Singer, executive vice president of the Bank of the United States — the largest American bank ever to fail — went to the penitentiary on the same charges, and later Howard Hopson, president of the Associated Gas and Electric Company and responsible to 188,576 investors, was captured in Washington after a wild taxicab chase and found guilty on seventeen counts of mail fraud. "Confidence in the erstwhile leadership of this country is gone," George Sokolsky wrote. Representative Fiorello La Guardia said of a stock manipulation case, "Sordid as these facts may seem, I believe the same sort of story could be told regarding every stock in which there was a pool," and Joseph P. Kennedy, himself a market tycoon, concluded, "The belief that those in control of the corporate life of America were motivated by honesty and ideals of honorable conduct" had been "completely shattered." . . .

Throughout the early Thirties, and especially in [the winter of 1932-1933], the sound of famished men on the march was heard from coast to coast. In New York thirty-five thousand men and women packed Union Square to hear Communist party orators. Crowds in Oklahoma City, Minneapolis, and St. Paul broke into groceries and meat markets to rifle shelves. Feelings of desperation were still internalized in most men (the suicide rate tripled that winter) but more and more mobs were beginning to coalesce. In Lincoln, Nebraska, four thousand men occupied the statehouse, another five thousand took over Seattle's ten-story County-City Building, and five thousand Chicago teachers, tormented beyond endurance, stormed the city's banks. The strains of "L'Internationale" were becoming increasingly familiar to the jobless; a forty-two-year-old radical named Louis Budenz led the Ohio Unemployed League mass march on the Columbus statehouse. His slogan was:

"We must take control of the government and establish a workers' and farmers' republic."

The sense of institutions, authority, and private property — the intuitive discipline which Daniel Patrick Moynihan would later call "the glue that holds societies together" — was showing signs of disintegration. The tax strikes and the bootleg mining of company coal seams were ominous; so was the frequency with which empty lots were being gardened without their owners' consent, and the scattered, aimless rioting in Detroit, where relief had simply stopped. Some communities quit. Key West, Florida, was going into bankruptcy; there was no money to pay the sanitation department, and whole streets were filling up with rubbish and garbage. Here and there the starving were muttering violence. The mayor of a Massachusetts town, watching two thousand idle men milling around his city hall, wrote that "a spark might change them into a mob." Governor O. Max Gardner of North Carolina warned of the danger of "violent social and political revolution." Mayor Anton Cermak of Chicago, faced with the state's reluctance to appropriate funds for the city's six hundred thousand out-of-work men, told the legislature, "Call out the troops before you close the relief stations."

The well-fed were edgy. Company men in employment offices became curt, bank tellers nervous, elected officials quicker to call the police, policemen faster with the nightstick. Henry Ford had always been a pacifist. Now he carried a gun. In Richmond, Virginia, a delegation from the local Unemployed Council called on Mayor J. Fulmer Bright a few days after Thanksgiving; the mayor told his police chief, "Take these men by the scruff of the neck and the seat of the pants and throw them out." Jittery company guards killed four miners in Pennsylvania's Fayette County. New York ordered the apple sellers off its sidewalks, and John P. O'Brien, the new occupant of Gracie Mansion, promised his city, "You're going to have a mayor with a chin and fight in him. I'll preserve the metropolis from the Red Army." Plain-

clothesmen swinging truncheons waded into a Union Square rally; the *New York Times* reported "screams of women and cries of men with bloody heads and faces." Oklahoma City police used tear gas to break up meetings. Seattle police evicted the squatters from its County City Building with fire hoses. Chicago law enforcement officers clubbed the unpaid teachers with billies, two of them holding one middle-aged woman while a third smashed her face.

Testifying before a Senate committee about the "sporadic uprisings in a number of our industrial cities," an AFL spokesman said that "the great bulk of those people know nothing about Communism. They wanted bread." To the propertied classes, the distinction was irrelevant. As Robert Sherwood wrote, the way ahead seemed to be clouded by "black doubt, punctured by brief flashes of ominous light, whose revelations are not comforting." If the government could not keep order, each man must look to his own. Businessmen in a number of cities formed committees to cope with nameless terrors should railroad and telephone lines be cut and surrounding highways blocked. Candles and canned goods were stockpiled; a Hollywood director carried with him a wardrobe of old clothes so that he could "disappear into the crowd" on a moment's notice. In New York, hotels discovered that wealthy guests who usually leased suites for the winter were holing up in their country homes. Some had mounted machine guns on their roofs.

They weren't paranoid. The evidence strongly suggests that had [Franklin D.] Roosevelt in fact been another Hoover, the United States would have followed seven Latin American countries whose governments had been overthrown by Depression victims. Charles M. Schwab was one of many tycoons who believed revolution was just around the corner. The dean of the Harvard Business School said, "Capitalism is on trial and on the issue of this trial may depend the whole future of Western civilization." Articles debating the imminence of revolt appeared in the *Yale Review*, *Scribner's*, *Harper's*, the *American Mer-*

cury, and the *Atlantic*. Norman Thomas later said [of late 1932] that "never before or since have I heard so much open and bitter cynicism about democracy and the American system." . . .

Al Smith thought the Constitution ought to be wrapped up and laid "on the shelf" until the crisis was over. *Vanity Fair*, whose associate editors included Clare Boothe Brokaw (later Luce), demanded, "Appoint a dictator!" Walter Lippmann wanted to give the President full power at the expense of Congress; "the danger," he said, "is not that we shall lose our liberties, but that we shall not be able to act with the necessary speed and comprehensiveness," and Republican Senator David A. Reed said outright, "If this country ever needed a Mussolini, it needs one now."

In a *New Yorker* cartoon a girl at a Greenwich Village party told a limp young man, "Oh, it's all very simple. Our little group simply seizes the power-houses and the radio station." That was where the danger lay, most people thought: in the cities. [Secretary of War Patrick J.] Hurley was believed to be concentrating the few troops he had near metropolitan areas, but rebellious populations have a way of outfoxing authority, and the opening revolt came where it was least expected. Farmers had always been considered the most conservative of Americans, yet it was in Republican Iowa — Hoover's home state — that sunburned men of native stock first reached for their pitchforks and shotguns. They were finally taking up arms against a system which paid them two cents a quart for milk that distributors sold for eight cents in Sioux City.

Under the leadership of Milo Reno, a sixty-four year-old former president of the Iowa Farmers Union, they blocked all ten highways leading into the city. Spiked telegraph poles and logs were laid across the roads. Only milk for hospitals was allowed to pass. Other trucks were stopped and the milk cans emptied into ditches or taken into town and distributed free. Sympathetic telephone operators warned the insurgent farmers of approaching convoys an hour in advance; sheriffs were disarmed and their pistols and

badges thrown into cornfields. Route 20 became known as Bunker Hill 20. Peering at Mary Heaton Vorse of *Harper's* from under the brim of a ten-cent straw hat, an old man said, "They say blockading the highway's illegal. I says, 'Seems to me there was a tea party in Boston that was illegal too.'"

The movement spread until Des Moines, Council Bluffs, and Omaha were isolated. In Wisconsin, embattled farmers invaded a dairy three times in one day, dumped 34,000 pounds of milk on the ground, and poured gasoline in the vats. A congressional subcommittee heard Oscar Ameringer of Oklahoma City describe a conversation with a rancher whom he had known to be conservative. The man had said, "We've got to have a revolution here like they had in Russia." Ameringer had asked him how he proposed to do it, and the man had replied, "We will have four hundred machine guns . . . batteries of artillery, tractors and munitions and rifles and everything else needed to supply a pretty good army. . . . If there are enough fellows with guts in this country to do like us, we will march eastward and we will cut the East off. We will cut the East off from the West. We have got the granaries; we have the hogs, the cattle, the corn, and the East has nothing but mortgages on our places. We will show them what we can do." Ameringer told the House Labor Committee, "I have heard much of this talk from serious-minded prosperous men of other days."

Will Rogers said, "Paul Revere just woke up Concord. These birds woke up America." And on Route 20 the Iowans sang:

Let's call a farmers' holiday
A holiday let's hold;
We'll eat our wheat and ham and eggs
And let them eat their gold.

The Sioux City siege was lifted shortly after a mysterious shotgun attack on the camp of some Milo Reno followers near the town of Cherokee, forty-eight miles east of the city. He quit, and farmers sur-

rounding the other invested cities quit with him. But Reno said, "You can no more stop this movement than you could stop the revolution. I mean the revolution of 1776." Both in their violence and their uprising they were being faithful to American tradition. And they went unpunished. At Council Bluffs sixty had been arrested, but when a thousand of their fellow insurgents marched on the jail, they were hastily released. Deciding that direct action paid, the farmers now decided to do something about mortgage foreclosures.

On the outskirts of a Kansas village police found the murdered body of a lawyer who had just foreclosed on a five-hundred-acre farm. In Cheyenne County, Nebraska, the leaders of two hundred thousand debt-ridden farmers announced that if they didn't get help from the legislature they would converge on the statehouse and raze it, brick by brick. Throughout Hoover's last winter as President there were foreclosure riots in Iowa at Storm Lake, at Pringhar, in Van Buren County, and at Le Mars. The Le Mars incident was particularly ugly. Black-shirted vigilantes invaded the courtroom of Judge Charles C. Bradley, dragged him from the bench, blindfolded him, and drove him to a lonely crossroads. Their leader demanded, "Will you swear you won't sign no more mortgage foreclosures?" The judge said no. Again and again the demand was repeated, and the answer was the same. He was slapped, kicked, and knocked to the ground. A rope was tied around his neck; the other end was thrown over a roadside sign. A greasy hubcap was clapped down on his head — "That's his crown," one of the men shouted. The judge never did give his word, but though he was stripped and beaten, he declined to press prosecution afterward.

When papers had been signed, hundreds of farmers would appear at the auction shouting, "No sale!" Prospective bidders would be shoved aside; then neighbors would buy the land for a few dollars and return it to its original owner. At one sheriff's sale a horse brought five cents, a Holstein bull five cents,

three hogs another nickel, two calves four cents, and so on, until the entire property had changed hands for \$1.18. It was deeded back to the householder for ninety-nine years. Lawyers representing insurance companies in the East were kidnapped and threatened with the noose until the home office relented and agreed to a mortgage moratorium. By the end of January 1933, John A. Simpson, president of the National Farmers Union, told the Senate Committee on Agriculture, "The biggest and finest crop of revolutions you ever saw is sprouting all over this country right now." Edward A. O'Neal III, president of the American Farm Bureau Federation, added, "Unless something is done for the American farmer we'll have revolution in the countryside in less than twelve months."

QUESTIONS TO CONSIDER

1. What effect did the traditional American work ethic have on American citizens during the Depression?

2. What were the "false underpinnings" of 1920s prosperity that Manchester argues contributed to the financial collapse of the stock market in 1929 and the Depression of the 1930s?

3. Given the poverty, frustration, anger, and disillusionment of millions of Americans during the Depression, how can you explain the relative lack of violence or popular demands for radical change?

4. Comment on the irony that during "the cruelest year" of the Depression, 1932, American agriculture and industry were turning out cheaper products — which millions of Americans could not afford to purchase. How did Hoover's government respond to this dilemma?

5. How did the Depression tarnish the popular folk image of American capitalists? What factors turned the captains of industry (such as Henry Ford in selection 14) back into robber barons, at least in the eyes of the public?

